

AGREED BOARD ORDER NO. 07-03

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident Nos. 03222, 03273, 03279, 03724, 03348, 03651, and 03884.

This Order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes, Chapter 77 (Air Pollution Control).

COMPANY: Lubrizol Advanced Materials, Inc.
(formerly known as Noveon, Inc.)
4200 Bells Lane
Louisville, Kentucky 40211

REGULATIONS INVOLVED:

5.02 (Federal Emissions Standard for Hazardous Air Pollutants);
2.16 (Title V Operating Permits); and
6.40 (Gasoline Transfer to Motor Vehicles Stage II)

POLLUTANTS: Vinyl Chloride/Volatile Organic Compounds (VOC)/Particulate Matter/
Opacity

HIGH PRIORITY VIOLATION: Yes

NOTICE OF VIOLATION LETTER: No. 01699, dated October 27, 2006

BACKGROUND AND DISCUSSION:

Company operates a coatings and resins manufacturing facility in Jefferson County, Kentucky, pursuant to District Permit No.129-97-TV. Company produces advanced specialty polymers, polymer-based additives, and chemical additives for a broad range of consumer and industrial applications.

District Regulation 5.02 adopts by reference the National Emission Standard for Hazardous Air Pollutants (NESHAP) for Vinyl Chloride found at 40 CFR Part 61, Subpart F. The District alleges that Company failed to comply with the following requirements of the NESHAP: Company failed to document weekly inspections for leaks for four months in 2002; allowed a discharge of wastewater in exceedance of the vinyl chloride wastewater standard on two occasions in 2002; reported exceedance of the vinyl chloride emission standard in 2003 and 2004; failed to document and maintain records of reactor openings, portable hydrocarbon detectors, gas chromatograph records; and failed to comply with federal reference methods for calibration of portable detectors and sample analysis.

District Regulation 2.16 requires that Company comply with terms of its Title V operating

permit. The District alleges that in 2003 Company failed to comply with the following terms of its permit: Company failed to conduct quarterly preventative maintenance on an emission point on two occasions; failed to perform required weekly and monthly visible emission surveys; and failed to conduct visible emission surveys properly when the material was being transferred. Finally, the District alleges Company failed to timely submit its annual gasoline throughput report, in violation of District Regulation 6.40.

Company has taken the following corrective measures: changed its procedures for equipment inspections and visual emission surveys; retrained employees regarding vinyl chloride equipment and monitoring requirement; and purchased new portable hydrocarbon detectors. Further, Company agrees to submit a revised monitoring plan to the District, install speed switches on each reactor, and petition the United States Environmental Protection Agency (US EPA) for an exemption to the sampling requirement.

To fully resolve the alleged violations of District regulations described above, the parties agree to this Order assessing against Company an administrative settlement of \$110,700. On August 15, 2007, a public hearing was held before the Board on the proposed settlement. Based upon the evidence presented at that hearing, the Board determined that the proposed resolution and requirements were reasonable under the circumstances.

NOW THEREFORE BE IT ORDERED THAT:

1. Company shall pay \$110,700 to the District by September 15, 2007.
2. Company shall take visual emission surveys when each process is transferring and document in inspection log by August 1, 2007.
3. Company shall petition the US EPA for an exemption to the sampling requirement by October 1, 2007.
4. Company shall submit a revised monitoring plan to the District by December 31, 2007.
5. Company shall install speed switches on each reactor by December 31, 2007.
6. Company has reviewed this Order and consents to all its requirements and obligations. Further, Company agrees to pay the cost of publishing legal notice on the public hearing.
7. In the event that it is necessary for the District to seek a court order to enforce this Order, Company agrees to pay filing fees and costs of any such action.
8. This Order fully resolves the violations alleged against Company in District Incident Nos. 03222, 03273, 03279, 03724, 03348, 03651, and 03884, as alleged above in this Order.
9. This Order fully resolves any previous violations regarding the taking of visual emission surveys when the process was not transferring, recording of negative declarations for leak detection,

and compliance with federal reference methods for calibration of portable detectors and sample analysis.

10. Neither this Order nor the actions taken hereunder shall constitute an admission by Company of any wrongdoing.

Dated this 15th day of August, 2007.

LOUISVILLE METRO AIR POLLUTION
CONTROL BOARD

By: Karen Cassidy
Karen A. Cassidy
Chair

LUBRIZOL ADVANCED MATERIALS,
INC.

By: Arnoud de Jonge
Arnoud de Jonge
Plant Manager

LOUISVILLE METRO AIR POLLUTION
CONTROL DISTRICT

By: Jesse Goldsmith for
Jesse Goldsmith, P.E.
Engineering/Enforcement Manager

THE LUBRIZOL CORPORATION

By: Karen Walter
Karen Walter
Counsel

APPROVED AS TO FORM AND
LEGALITY

By: Lauren Anderson
Lauren Anderson
Assistant County Attorney